BRITISH COLUMBIA

BC STATS Infoline

Issue: **97-45** 7 Pages
November 7, 1997

tel (250) 387-0327
fax (250) 387-0329

You will find the last 5 issues on our website:
http://www.bcstats.gov.bc.ca

highlights

a weekly digest of recently released British Columbia statistics

The Census: Immigration

- **One in four British Columbians are immigrants.** Last year, 903,190 BC residents indicated that they had been born outside Canada. This compares to a national total of 4,971,070, or 17% of the Canadian population. Among provinces, the immigrant population share ranged from a low of 2% in Newfoundland to 25% in Ontario. BC's share (24%) was only marginally lower than Ontario's. Alberta (15%) had the third highest percentage in the country.

  Source: 1996 Census of Canada

- **The changing face of BC's population can be seen in the composition of the province's immigrant community.** Among those who immigrated before 1961, the most common countries of origin were the UK (34%), Germany (12%), Netherlands (9%) and Italy (6%). The United States and China (ranked fifth and sixth, respectively, at 4% each) were the only non-European countries in the top ten sources of immigrants to the province.

  In contrast, Asia was by far the most common region of origin for more recent immigrants. Two-thirds of immigrants who came to BC between 1991 and the first four months of 1996 were from this region. Hong Kong (21%) was the most common country of origin, followed by China (13%), Taiwan (11%) and India (10%). The UK and the US (ranked seventh and eighth, at 3% each) were the only non-Asian countries of origin in the top ten sources of immigrants.

  Source: 1996 Census of Canada

- **Nine out of ten recent immigrants were living in the Vancouver CMA.** This compares to just under half (46%) of British Columbians who came to Canada before 1961. More than 95% of newcomers from Taiwan, Hong Kong, Iran and China were living in the Vancouver area at the time of the census. *Source: 1996 Census of Canada*

Labour Force

- **British Columbia's unemployment rate edged up 0.1 percentage points to 9.0% (seasonally adjusted) in October.** There were 11,500 fewer jobs in the province, but 11,300 people exited the work force, and as a result, the province's unemployment rate was slightly higher than in September.

  Canada's unemployment rate also rose 0.1 percentage points in October, increasing to 9.1%. At the national level, employment declined marginally (11,100), while the labour force increased by 12,500 people. Unemployment rates were up in five of the ten provinces. The largest increase was in Ontario, where the unemployment rate rose 0.4 percentage points to 8.5%.

  Source: Statistics Canada

- **Vancouver's unemployment rate (seasonally adjusted 3 month moving average) inched down from 8.6% in September to 8.5% last month.** In Victoria, the unemployment rate was up sharply, rising 0.5 points to 8.4%.

  Source: Statistics Canada

Tourism

- **Provincial room revenues totalled $90.9 million (seasonally adjusted) in July, a decrease of 3.6% from the previous month.** However, year-to-date room revenues were up 3.4% over the first seven months of 1996. In July, room revenues were down in six of the eight development regions, with North Coast (+1.5%) and Vancouver Island/Coast (+0.1%) being the only exceptions. The largest decline

Report **Exports to APEC economies**

Did you know...?

Public clocks in Switzerland were the most accurate among 31 countries tested–they were off by an average of nineteen seconds. The Swiss ranked second in terms of the number of minutes taken to buy a stamp at a post office and third in the number of minutes downtown pedestrians take to walk 60 feet, giving them the fastest overall "pace of life" . Canada's ranking? Seventeenth overall: 11th for walking, 21st for postal service and 22nd for the accuracy of our clocks.

was in Thompson/Okanagan, where revenues fell 10.0% after increasing in the previous two months. *Source: BC STATS*

- **Revenues at salt and freshwater fishing lodges rose 5.9% (seasonally adjusted, sa), after growing 15.6% in June.** Unadjusted fishing lodge revenues were up 13.3% from July 1996. Large hotels (250 or more rooms) were the only other accommodation category to post gains, increasing 0.2% (sa) over the previous month. Among other accommodation types, the largest decline was in motel revenues (-10.3%). *Source: BC STATS*

- **Hotel occupancy rates averaged 87.6% in August.** This was 2.3 percentage points less than in the same month last year, when occupancy rates peaked at 89.9%. *Source: Pannell Kerr Forster*

Bankruptcies

- **There were 565 consumer bankruptcies in British Columbia in August, an increase of 9.7% from the same month last year.** This marked the 29th consecutive month in which consumer bankruptcies in the province have risen. The upward trend in consumer bankruptcies is part of a nationwide phenomenon which is likely due to higher personal debt levels, especially credit card debt. Canadian consumer bankruptcies increased 8.6% to 6,928 between August 1996 and the same month this year. *Source: Industry Canada*

- **The number of business bankruptcies in BC decreased 7.8% in August, to 59.** Business bankruptcies were down in seven of the ten provinces, and fell 19.0% at the national level. *Source: Industry Canada*

Business Conditions

- **BC manufacturers surveyed in October were pessimistic about their prospects in the coming three months.** Thirty-two percent said they expected their production to drop, compared to 18% who were anticipating increases. The balance of opinion (the difference between the percentage expecting improvements and the percentage anticipating declines) was also negative for the number of new (-4) and unfilled (-23) orders. Thirty-one percent said they expected inventories to be too high, compared to only six percent who thought they would be too low. Twenty percent of manufacturers expected employment declines, compared to 10% who anticipated increases.

  Nationally, manufacturers were optimistic about the future, indicating stronger employment prospects and expected increases in production. The balance of opinion (seasonally adjusted) for production (+12), new orders (+27) and employment (+9) was positive. *Source: Statistics Canada*

Abortions

- **British Columbia's hospital abortion rate fell below the Canadian average for the first time ever in 1995.** There were 8,552 hospital abortions (18.3 for every 100 live births) in the province, down from 9,718 (20.7) in the previous year. The number of hospital abortions in Canada fell from 71,630 (18.6) to 70,549 (18.7) in 1995. Hospital abortion rates in the rest of the country ranged from 0.5 in PEI to 27.2 in Yukon. New Brunswick (7.3) had the second lowest hospital abortion rate in the country. *Source: Statistics Canada*

- **Two out of three abortions performed in Canada are in hospitals, with the remainder occurring in clinics or outside the country.** In 1995, a total of 106,658 Canadian women had abortions. Of these, 70,549 were in hospitals, 35,650 were in clinics, and 459 were in the United States. Including clinic abortions, Canada's abortion rate in 1995 was 28.2 per 100 live births, which was the highest it has ever been. *Source: Statistics Canada*

highlights, Issue 97-45
November 7, 1997

For data originating from Statistics Canada: data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the publication name or catalogue number.

Infoline Report:

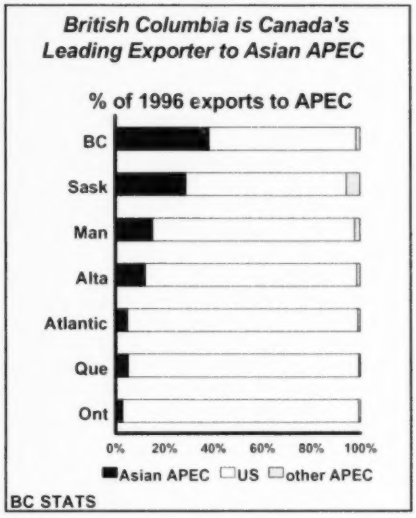
New APEC Markets For British Columbia As Asia Industrialises

November 7, 1997

Originally published in July 1997 issue of *Exports*, a monthly available by annual subscription, $60 + GST

For British Columbia and most of Canada, trade with Asia has mainly meant trade with the advanced economies of Japan, South Korea and Chinese Taipei (Taiwan). This is changing quickly as industrialisation in other parts of Asia has made fast growing export markets of China and the developing economies of South East Asia. The result for British Columbia has been that its Asian trade has expanded across a much greater number of countries in the Asia Pacific Economic Cooperation (APEC) trade forum.

A wider spread of trading markets in Asia is important to all provinces, but to none more so than British Columbia. Over 38 per cent of British Columbia's 1996 exports to economies within APEC were to its Asian members. This was the highest proportion of any Canadian province. British Columbia's position as Canada's leading Asian trader derives naturally from its Pacific location, and its ability to supply forestry and mineral products to the resource poor economies of the Asian Pacific Rim. Having more of its trade vested in Asia means that British Columbia has more to gain from APEC successes, and potentially more to lose should trade in the region fail to live up to its potential.



Over time, the emergence of new Asian markets for natural resource products is likely to dampen some of the wide swings in British Columbia export revenues. Natural resource exports are notoriously susceptible to fluctuations in demand. By securing a wider selection of Asian destinations for its resource product exports the province lessens its vulnerability to disruptive events such as a slowdown in Japanese building activity or a currency crisis in Thailand.

Asian industrialisation has also provided a much larger collection of Asian producers of manufactured consumer goods from which Canadian importers can select their purchases. Among the benefits to Canadians have been greater variety of choice, lower prices and reduced rates of inflation.

APEC has contributed to all this by providing a forum in which Asian trading countries and their partners about the Pacific can reach consensus on how best to enhance growing trade in the region.

Although APEC membership includes the United States, Mexico, Chile, Australia, New Zealand and Papua New Guinea, its significance to British Columbia and to the rest of Canada is mainly as a forum to promote trade and investment flows with Asian members. For most Canadian trade with non-Asian members of APEC, there are other agreements in place. Trade with the United States and Mexico, for example, is governed by the far more concrete and wide ranging terms of the North American Free Trade Agreement (NAFTA). Trade with Chile is presently expanding under the Canada-Chile Free Trade Agreement.

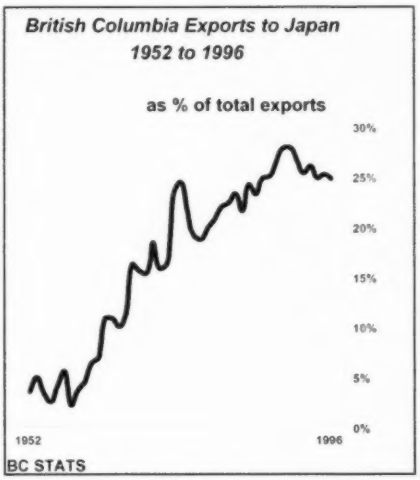
Old and New Customers In Asian APEC

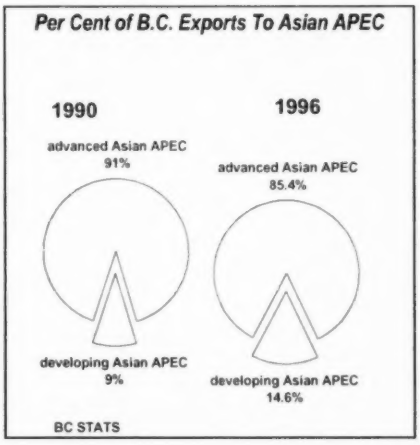
Japan is still the destination for the bulk of British Columbia's exports to Asia, accounting for 72 per cent of the province's exports to Asian members of APEC. The first Asian country to industrialise, Japan became established as the province's most important overseas market during its period of rapid post-war economic growth in the 1960s and 1970s. Exports to Japan soon exceeded the value of exports to

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BCSTATS@fincc04.fin.gov.bc.ca

Europe, and grew faster than exports to the United States up to the late 1980s. The portion of total provincial exports shipped to Japan rose from about 2 per cent in the 1950s to a high of 28 per cent in 1989.

Until the early 1980s, British Columbia exports to Asian economies other than Japan were minor in terms of the province's total international trade. This began to change as South Korea, Chinese Taipei (Taiwan), and the then colony of Hong Kong began to industrialise rapidly and, in the process, to develop appetites for imported forest, mineral, and food products. British Columbia's exports to these economies grew, and by 1989 they claimed a combined share of total provincial exports of 6 per cent. This share has remained at about 6 per cent through to 1996, as other trade developments have rearranged the market distribution of British Columbia exports.





In this decade exports to western Europe have fallen from 16 per cent of provincial exports in 1990 to 8 per cent in 1996. This striking decline was produced by a 27 per cent drop in the value of goods shipped to western Europe, reflecting a protracted economic slowdown there, and stiffer international competition for natural resource product exporters.

On the other hand, British Columbia's exports to the United States have risen sharply in the 1990s, with the strength of the American economy and the rapid expansion of North American trade.

And in Asia, the focus of British Columbia export growth has been shifting slowly toward the latest group of newly industrialising economies. Exports to China and the South East Asian members of APEC combined expanded from 3 per cent of exports to all countries in 1990 to 5 per cent in 1996.

This growth, combined with the growth of exports to the United States, caused exports to Japan to decline as a percentage of provincial exports to all countries. They dropped from 28 per cent of provincial exports in 1990 to 25 per cent in 1996, even as the value of goods shipped to Japan actually rose 37 per cent.

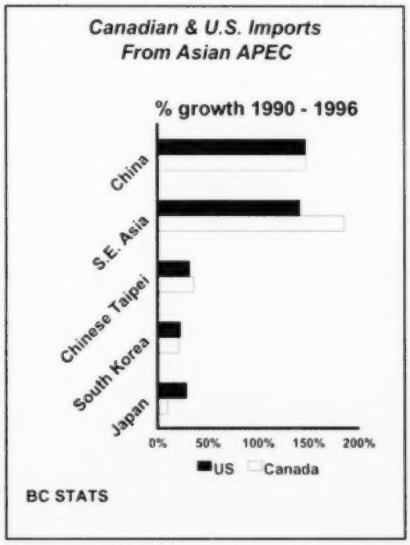
When the growth in exports to newly industrialising Asia is seen in terms of British Columbia - APEC trade, the shift is more conspicuous. In 1990 China (including Hong Kong) and the South East Asian members of APEC accounted for 9 per cent of British Columbia exports to all of Asian APEC. By 1996, this had risen to 15 per cent – 9 per cent to China and 6 per cent to the six South East Asia members of the trade forum.

Behind this expanding share were increases in British Columbia exports of 165 per cent to China, and 86 per cent to South East Asian members of APEC. By comparison, the rates of growth for exports to Japan, South Korea and Chinese Taipei between 1990 and 1996 were more moderate – 37 per cent, 42 per cent and 47 per cent, respectively.

Newly industrialising economies in Asia have been distinguished by their rapid economic growth. International Monetary Fund statistics for the years 1990 to 1996 report annual average growth of 10.5 per cent for China (excluding

Hong Kong), 8.0 per cent for Indonesia, 8.8 per cent for Malaysia, and 8.6 per cent for Thailand. By contrast average annual growth was 2.3 per cent for Japan in this period; 7.7 per cent for South Korea; and 6.3 per cent for Chinese Taipei.

Just as British Columbia exports to Asian APEC have grown fastest to the newly industrialising and rapidly growing economies of the region, Canadian imports from these same economies have grown faster than imports from the more advanced economies of the region. (Statistics are not available specifying British Columbia imports from Asian APEC.)



Canadian imports from China rose 148 per cent between 1990 and 1996, as imports from South East Asian APEC members rose 186 per cent. The rates of growth for imports from Japan, South Korea and Chinese Taipei were 10 per cent, 21 per cent and 36 per cent respectively.

American import figures show a similar pattern. US imports from China (with Hong Kong) rose 148 percent between 1990 and 1996; as U.S. imports from South East Asian APEC rose 142 per cent. U.S. imports from Japan rose 29 per cent in the same period, as those from South Korea rose 23 per cent, and those from Chinese Taipei rose 32 per cent.

Asian APEC Economies Need North American Markets

Exports to Canada are no doubt important to most Asian APEC economies, but access to the United States import market might well be regarded as essential. Both developed and developing Asian APEC economies still ship very large portions of their total exports to the United States market.

Figures from Statistics Canada's World Trade Database indicate that in 1995, about 28 per cent of Japanese exports were destined for the United States. The estimates were 19 per cent for South Korea; 24 per cent for Chinese Taipei; 20 per cent of exports from China (with Hong Kong); and 15 per cent of exports from South East Asian APEC.

By comparison, exports to Canada made up only a small part of the total exports of Asian members of APEC. According to the World Trade database, the portion of total exports shipped to Canada ranged from about 2 per cent in 1995 for Japan, South Korea and Chinese Taipei, to about 1 per cent for most others.

While Asian APEC economies have been very successful in exporting to the United States, the United States has not always enjoyed the same success in Asian markets. Its merchandise trade deficits with Asian APEC trading partners have given it ample incentive to press for more open Asian markets. In 1996 the United States ran a merchandise trade deficit of $US 114 billion with Asian APEC trading partners, taken collectively. It experienced positive merchandise trade balances with only three individual economies – South Korea, Hong Kong and Brunei Darusallam. It ran particularly massive deficits with Japan ($US 48 billion) and the People's Republic of China ($US 40 billion). The deficit with China was more than three times the total value of U.S. exports to China.

United States exporters have generally succeeded best in trade with more developed Asian APEC countries. Japan provided a market for 9 per cent of total U.S. exports in 1996. South Korea was the destination for another 3 per cent and Chinese Taipei for 2 per cent. China (excluding Hong Kong) accounted for only 2 per cent of U.S. exports in 1996 while the South

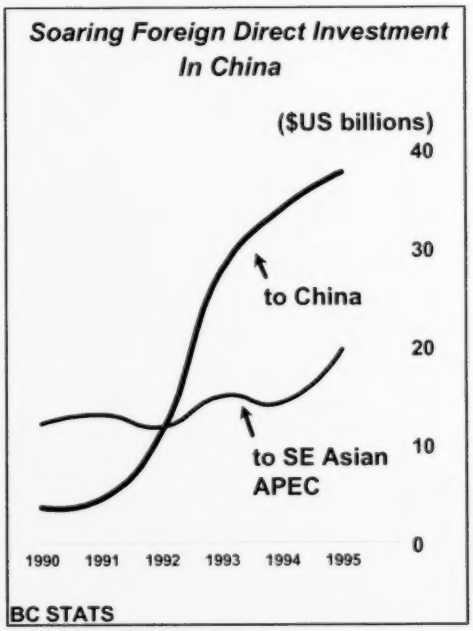
East Asian countries of APEC together accounted for about 5 per cent.

The relatively better success of U.S. and Canadian exporters in selling to more developed Asian economies would be expected from the greater purchasing power of those markets. It argues the long term advantage to North America of promoting Asian industrialisation as a means of building future markets for U.S. (and Canadian) manufactured goods. Manufactured goods comprise most US exports to Asian APEC. In 1996, about 56 per cent of American exports to Asian members of APEC were machinery and equipment. The machinery and equipment portions of Ontario and Quebec exports to Asian APEC were 47 per cent and 33 per cent, respectively. For British Columbia it was only 4 per cent. One implication of this for British Columbia is that it must increase this ratio if it is to enjoy the full economic benefit of future trade with a more completely industrialised Asia.

From an Asian perspective, continuing industrialisation promises more local markets with which to trade, but also more competition between Asian APEC economies.

Industrialisation in Asia has so far been built largely on the production of mass produced consumer manufactured goods for export to North American and European markets. Each newly industrialising member of Asian APEC adds another producer of these goods striving to extend its export mix beyond textiles, apparel, toys, agricultural and resource commodities to electronic goods, transportation equipment and eventually into specialised high technology products.

To make the transition quickly they need first to attract investment capital; and for this they must compete with other economies at a similar stage of industrial development.



The most spectacular gains in the competition to attract investment capital have been made by China. According to numbers compiled for the United Nations World Investment Report, foreign direct investment in China increased more than tenfold in the first half of the 1990s, from $US 3.5 billion in 1990 to $US 37.5 billion in 1995. This rate of increase far outpaces that for any South East Asian members of APEC. The Chinese share (not including Hong Kong) of foreign direct investment absorbed by all Asian APEC economies in 1995 was 61 per cent. The next largest inflows went to Malaysia (9 per cent), Singapore (9 per cent) and Indonesia (7 per cent).

Infoline

November 7, 1997

fax transmission information service from **BC STATS**

also on the Internet at http://www.bcstats.gov.bc.ca

BC at a glance . . .

POPULATION (thousands)	Jul 1/97	% change on year ago
BC	3,933.3	2.0
Canada	30,286.6	1.1
GROSS DOMESTIC PRODUCT		% change
(BC - at market prices - $ millions)	1996	on year ago
Current Dollars	103,631	1.7
Constant (1986) Dollars	74,001	1.0
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Aug	2,864	-1.5
Merchandise Exports (raw) Aug	2,047	-4.8
Retail Sales (seasonally adjusted) Aug	2,756	5.9
CONSUMER PRICE INDEX		% change
(all items - 1986=100)	Sep '97	on year ago
BC	139.9	0.9
Canada	138.1	1.6
LABOUR FORCE (thousands)		% change
(seasonally adjusted)	Oct '97	on year ago
Labour Force - BC	2,020	0.1
Employed - BC	1,840	1.0
Unemployed - BC	181	-7.9
		Oct '96
Unemployment Rate - BC *(percent)*	9.0	9.7
Unemployment Rate - Canada *(percent)*	9.1	10.0
INTEREST RATES (percent)	Nov 5/97	Nov 6/96
Prime Business Rate	5.25	5.00
Conventional Mortgages - 1 year	5.65	5.35
- 5 year	6.70	7.20
US/CANADA EXCHANGE RATE	Nov 5/97	Nov 6/96
(avg. noon spot rate) Cdn $	1.4054	1.3306
US $ *(reciprocal of above rate)*	0.7115	0.7515
AVERAGE WEEKLY EARNINGS		% change
(industrial aggregate - dollars)	Aug '97	on year ago
BC	619.00	0.9
Canada	598.58	1.5

SOURCES:
Gross Domestic Product: Statistics Canada, revised by BC STATS
Population, Trade, Prices, Labour Force, Earnings: Statistics Canada
Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

Released this week by BC STATS
- Tourism Room Revenue, July 1997

Next week
- Labour Force Statistics, October 1997
- Exports, August 1997

BC STATS, Min. of Finance & Corporate Relations, Box 9410 Stn Prov Govt, Victoria, B.C. V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: http://www.bcstats.gov.bc.ca E-mail: BCSTATS@fincc04.fin.gov.bc.ca